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WEEKLY SUMMARY

Special Report

Suharto's Indonesia

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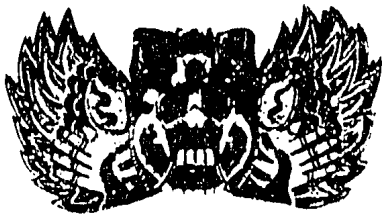
SUHARTO'S INDONESIA

Suharto, president of Indonesia for three years, will visit the United States officially and for the first time from 26 May to 2 June. He is expected to discuss the Cambodian situation and Southeast Asian affairs generally, and probably hopes to reach agreement on a modest military acquisitions program that has been under consideration for some weeks. He will express his appreciation of past US economic assistance, and, as a means of maintaining the so-far favorable climate in Washington toward aid to Indonesia, will talk with the Senate Foreign Relations Committee and speak to the National Press Club.



The 49-year-old Suharto has placed his stamp of caution and pragmatism on his administration. He has eased forward on a number of problems while consistently maintaining priority on economic improvement. Indonesia under Suharto continues to make progress on the difficult tasks of economic rehabilitation and is preparing for national elections in mid-1971. The proscribed Communist Party, which remains under strong government pressure, is scattered and ineffective.

Although ultimate government control is in the hands of the army, civilian participation is considerable and effective, particularly in the economic sector. The army considers it necessary to perpetuate its political role at least until economic recovery has been achieved, and will seek to do so in the coming elections and to reinforce its position with civilian alliances.

Although Indonesia follows a nonaligned foreign policy, its international relations in recent years have been weighted toward the West, from which it receives critically needed financial assistance. Largely because of Indonesia's strongly anti-Communist domestic stance, relations with the USSR and Eastern Europe have been correct but cool in the post-Sukarno era; ties with China were suspended in 1967, and prospects for an early resumption of diplomatic relations are poor.

Other than continuing negotiations for economic assistance with both non-Communist and Communist nations, Indonesia's principal international objective is to develop its influence in Southeast Asia. Major facets of this policy have been the founding and subsequent support of the five-member Association of Southeast Asian Nations and Djakarta's recent initiative that resulted in the scheduling of an Asian conference on Cambodia.

President Suharto with Madame Suharto and Children

SOLDIER TO PRESIDENT

Suharto's rise from poor boy to the top ranks of army and political leadership is still fairly unusual in Indonesia, yet not much attention is paid to it. Suharto seems to be accepted for what he is—a disciplined, reliable, capable individual. He cannot inspire the colorful copy that former president Sukarno did, but there seems to be general satisfaction that he does not.

Suharto was born of humble parents in a Central Java village in 1921 and spent a childhood eventful chiefly for being shuttled from relative to relative after his parents' separation. In June 1940, bored with his job as a bank clerk, Suharto volunteered for the Dutch colonial army, and remained in the armed forces under the Japanese. He fought effectively against the Dutch, emerged with the rank of lieutenant colonel, and then began a steady and quietly distinguished rise in independent Indonesia. By 1963 Suharto had been appointed to the second most senior post in the army as head of the Strategic Command, a combat-ready strike force. It was logical that he should assume temporary leadership of the army when the Communists launched their abortive coup on the morning of 1 October 1965, kidnaping and later murdering army commander General Yani and five other generals.

When President Sukarno, who had been involved in planning the Communists' antiarmy action, instructed army leaders to nominate three candidates for the position of army commander, they submitted only one name—Suharto. Although Sukarno regarded Suharto as "too stubborn and too anti-Communist," he had no

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alternative but to install him as army commander and did so on 16 October 1965.

As head of the developing new Indonesian leadership, Suharto believed that his major tasks during the following year and a half were to maintain the cohesiveness of the army, crush the large Communist Party, and so reduce President Sukarno's power and prestige that he could be quietly and peacefully removed from office. Suharto accomplished all three objectives, the last in an elaborately phased program, which at the time was criticized by many of his supporters as needlessly slow. Perhaps it could have been done more rapidly without disruptive consequences, but Suharto's schedule gave him and his military and civilian colleagues time to sort out some of Indonesia's economic and political complexities and to ease the transition from the old order to the new.

On 12 March 1967, the Indonesian Congress unanimously passed a decree declaring Sukarno "no longer capable" of fulfilling his presidential duties and naming General Suharto acting president. A year later, on 27 March, Congress elected
25X6 him to a five-year term as full president.

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severe economic deterioration and the threat of Communist resurgence both demanded action, and these urgent requirements provided both a valid and a convenient rationale for imposing, until recently, a partial moratorium on political activity. Given the fragmented state of Indonesia's political party system, the task of charting the way toward a predominantly civilian government that would be representative, non-Communist, and still stable is indeed formidable.

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SUHARTO AND THE MILITARY

Suharto has made no effort to disguise the fact that the army is the major political force in Indonesia and his own chief support. He and his colleagues feel strongly that it is the only organization capable of administering the country during this period of economic rehabilitation and political reorganization. It is the only cohesive, nationally organized group in the country, its loyalties are nationally focused, and with the passing of time, it has increasingly avoided the regional and ethnic divisions that afflict those civilian organizations aspiring to a national role.

When General Suharto, then still commander of the army, assumed the presidency in March 1967, the Indonesian Army achieved greater and more effective participation in government than ever before in its 25-year role of nation building. Although Suharto has since relinquished command of the army, he remains the minister of defense and as such is commander in chief of the armed forces. In the 23-man cabinet the army holds three other portfolios, and the navy and air force hold one each. The military, particularly the army, is well represented in all departments at subministerial levels and in industrial and agricultural state enterprises. Army officers serve as governors in 14 of the nation's 26 provinces, and junior officers and noncommissioned officers hold a substantial proportion of subprovincial

jobs down to the village level. Military appointees constitute 18 percent of the membership of parliament and congress, and hold approximately half of the nation's ambassadorial posts.

Suharto and the army uphold the doctrine of the military's "dual function": the military must participate actively in the nation's political and economic life, as well as provide its defense and security force. Politically, army leaders seek a middle road between what they regard as the "free-for-all" parliamentary democracy of the 1950s and former president Sukarno's subsequent authoritarian rule. This middle way would permit significant popular participation but would retain a strong central leadership and a major political role for the army.

In the economic sector, the army vigorously argues that economic improvement is a prerequisite for political stability and a necessity in countering a future renascent Communist Party. Suharto himself is an especially dedicated supporter of this line, but he has entrusted the formulation of economic policy not to the military but to a group of talented and well-trained nonparty civilians.

From the beginning of his leadership role in October 1965, Suharto has worked to develop a united military team and to eliminate interservice rivalries. Although the navy and air force are much smaller than the army (army-250,000, navy-48,000, air force-30,000), Suharto has consistently included the two smaller services in the military's national role.

A military reorganization announced in October 1969 and gradually being implemented provides for centralized Department of Defense authority over the three services and for an integrated command down to the provincial level. The chain of command runs from Suharto through six integrated theatre commands. The change increases Suharto's personal control over the armed forces and should make for a more flexible and responsive instrument for carrying out the military's functions.

In directing national life and interpreting the role of the military, Suharto has insisted on the observance of legal forms, has tried to listen to the civilian voice—although this effort is sometimes obstructed by the military around him—and has displayed sensitivity to civilian charges of "creeping militarism" and corruption. These traits [redacted] have inclined Suharto to pursue a considerably more liberal administration than could have developed under more authoritarian military personalities on the scene. Although he is unwilling to diminish the army's ultimate authority—fearing any one of several results such as political instability, a turn toward an Islamic state, or Communist resurgence—he nevertheless strongly believes that the military bears heavy responsibilities not to misuse its power and authority. 25X6

For example, when students demonstrated against rising prices early this year, Suharto ordered that not a shot be fired and that cabinet ministers meet with and answer the students' questions. He has told military commanders—who, because of Indonesia's economic predicament and budgeted funds, are compelled to engage in fund-raising activities for troop welfare—that these activities must be truly directed toward this purpose and not be "obstacles to national development." On the whole, his approach to government indicates a continuing intention to avoid military authoritarianism yet to maintain the ascendency of the military as it guides the nation in achieving economic development and political modernization.

SUHARTO AND THE CIVILIANS

Although the army is clearly predominant, civilians hold a number of important posts in the cabinet, bureaucracy, and legislature. Those holding the more responsible positions, however, are nonparty technicians or individuals with little political support. Political party members, who had hoped that the downfall of former president Sukarno would restore the parties to greater influence, find that although they have a larger voice than during the last years of Sukarno's rule, their present position falls far short of aspirations.

There are seventeen civilians, eight of whom are members of political parties, in the 23-man cabinet, and civilians predominate in the appointed congress and parliament. Suharto has encouraged these two bodies to carry out their constitutionally prescribed functions (congress makes policy and parliament legislates), and they have indeed from time to time provided a check on the executive. Suharto has urged the army to respect and support civilian officials in the provinces.

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Suharto shares the army's distrust of political parties in general and, in particular, of Moslem parties, which account for a plurality of the electorate. This distrust stems from the nation's experience with parliamentary democracy (1949-1956), the parties' irresponsibility during those years, their concern for acquiring greater power rather than for achieving national goals, and the series of unstable coalition cabinets that characterized that period. The military's particular negativism toward Moslems is rooted in its memory of the fanatical Darul Islam movement, which tried to establish a theocratic state by armed force for more than ten years before it was crushed. The army also remembers that the Masjumi, the modernist Moslem party dissolved in 1960, supported the 1958 provincial revolt, another crisis that the Djakarta government had to settle by military force. Reinforcing these fears is the suspicion that all faithful Moslems, militant or not, want to replace Indonesia's secular society with a Moslem state. Of the three major parties in Indonesia—the Moslem Scholars (the party of traditional Moslems), the Indonesian Moslem Party (modernist and successor to the Masjumi), and the secular National Party, the army clearly prefers the secular Nationalists.

The parties to a considerable extent have earned the army's lack of confidence. As organizations, they are poorly disciplined, indecisive, and unable to formulate a national program. They tend to be special-interest groups that are ethnically or religiously based. Although within the parties, particularly the Moslem Party, there are individuals who have a strong sense of national purpose, they have so far been unable to translate this into a program of action. The army's exclusion from leadership roles, of some of the very individuals in both the Moslem and National parties who might stimulate a healthier development, however, merely perpetuates the present stagnant, unproductive atmosphere pervading the parties.

The army is currently trying to develop an organization of functional groups as another civilian vehicle for political support for the Suharto regime. Functional groups (youth, intellectuals, labor, women) have long been an element of the Indonesian political scene, and the civilians in parliament theoretically are about evenly divided

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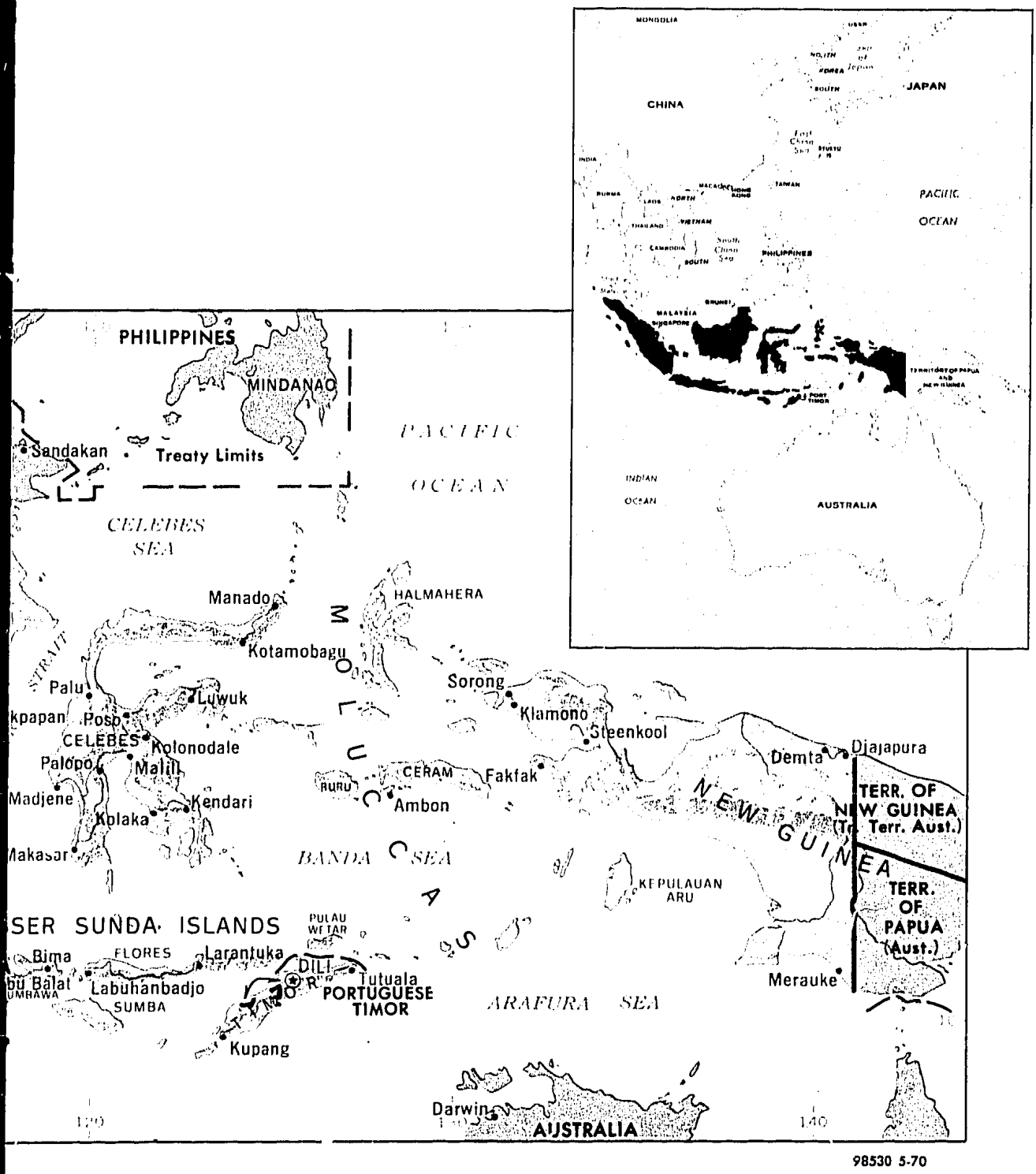

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between functional group representatives and those of political parties. These groups have had many purposes over the years, but one of them consistently has been to give legislative support to the executive as a counter to opposition from the parties. The army's intended vehicle, the Joint Secretariat of Functional Groups (SEKBER GOLKAR), as presently constituted is a loosely coordinated group of organizations with no significant political experience. It is being reorganized, restaffed, and groomed to participate in the 1971 elections.

Modernizing civilian groups, mostly comprising individuals unaffiliated with the political parties, see SEKBER GOLKAR as possibly offering the opening wedge for the restructuring of the political party system. If SEKBER GOLKAR can indeed be transformed into a political party, it could develop into a broadly based organization neither dependent on one region nor having only a narrow religious appeal. Its candidates would ideally run on a pragmatic platform of economic improvement and social progress. It is unlikely that in the year remaining before elections SEKBER GOLKAR can become a major party, but if it can develop even a small but firm base and a successful working relationship between the army and some nationally focused civilians, it will have achieved a good deal.

PROGRAMS AND ACCOMPLISHMENTS: ECONOMY, SECURITY, POLITICS

The primary domestic policies of the Suharto administration are continued economic improvement, the prevention of a Communist resurgence, and movement toward representative, stable, non-Communist government. Given the extreme economic deterioration caused by Sukarno's economic excesses and neglect of basic needs, the Suharto administration has made impressive progress in pursuing these policies. The major achievement has been to bring the galloping inflation of the early post-Sukarno years to a halt. In April 1969, a modest five-year development program was launched. The program, which calls for an expenditure of roughly US 4.5 billion dollars, is small in terms of the nation's size and needs, but its goals were determined on the basis of Indonesia's capabilities and the estimated availability of funds. The plan emphasizes agriculture, the achievement particularly of self-sufficiency in rice, improved transportation and communications facilities, and public services.

Although all recovery targeted for the first year of the plan was not achieved, some significant gains were registered. Rice production was up in 1969, and most of the main roads in Java were improved. Export earnings increased, and imports—which also increased—showed a substantially higher proportion of capital goods and raw materials in 1969 as compared with consumer goods than in previous years.

Indonesia's economic recovery is being underwritten by a group of Western nations and international organizations with the US and Japan as principal donors. Since 1966, this group has pledged more than $1.5 billion. These same nations have also annually postponed payments on debts that Indonesia negotiated with them during the Sukarno era. They now have tentatively agreed on a longer term rescheduling of amortization that would permit repayment over a 30-year period, with no interest during the first 15 years.

The Soviet Union, Indonesia's largest single creditor, renegotiated debt payments in 1966, but so far has refused to arrange a longer term rescheduling. It may be willing to do so now that Western creditors have agreed on terms.

The Suharto government welcomes foreign investment. In the past three years, it has signed

some 30 oil exploration contracts and over 165 other contracts—chiefly in mining and forestry—with foreign companies. Eventually these investments will benefit Indonesia but only after the long period necessary for exploration and survey work. The biggest hope for a quick return is the oil industry, which already nets the government substantial foreign-exchange receipts.

On the debit side, Indonesia starts its development from a low base with a lamentably deteriorated infrastructure and a society oriented toward conformity rather than change. Managerial and technical inadequacies are hampering implementation of the development plan. There is virtually no effective entrepreneurial class beyond the small Chinese minority. The country's most fundamental problems—a rapidly growing population and unavailability of land—resist early solution, and for the present largely negate economic growth. The problem is particularly acute on Java and Madura, where 65 percent of the population, now estimated at 118 million, occupies seven percent of the nation's land area. Family planning is only beginning and on a very small scale.

Suharto and many of his civilian and military colleagues believe the latent appeal of the left can be defeated only through an improved living standard for the average citizen. While giving priority to its long-term economic program, the government maintains a tight intelligence-security effort against Communist Party remnants and has continued to screen military and civilian organizations for Communist elements.

The party, crushed in 1965, suffered a second calamitous defeat in 1968 when it failed in an effort at military resurgence in East Java and lost most of its postcoup leadership. The party's present active strength cannot be calculated, but it is roughly estimated that about 1,000

Communists still maintain organizational ties and that a far smaller number are engaged in organized work. Active cadres appear to fall into two groups, both of which are pro-Peking in the sense that they see the ultimate need for armed struggle. The larger faction, for the present, however, preaches peaceful rebuilding, while the smaller demands an immediate paramilitary effort. Small groups are reportedly engaged in minor terrorism in Central Java, but whether they are acting out of conviction or have undertaken banditry primarily for economic survival is not known.

The government faces a problem on what to do with imprisoned Communists who now total 67,000, some of whom have been in prison since 1965. These individuals represent a financial burden and an international embarrassment in that their continued incarceration has drawn widespread criticism. The government has released about 4,000 of the some 26,000 Communist prisoners who had little status in the movement, and plans to release more this year.

The better indoctrinated Communist prisoners, about 11,000, are gradually being resettled in agricultural colonies either in "closed villages" or on remote islands. The hard core, some 5,000, will remain in prison and eventually will be brought to trial. Another 27,000—presumably those more recently arrested—have yet to be thoroughly interrogated, and no determination has yet been made as to their status.

As an adjunct to both the security effort and the economic plan, the armed forces conduct a civic action program. This is essentially carried out at the village level, and involves small-scale road and bridge building and irrigation projects. The US has given modest support to civic action and is now expanding its aid program from $5 million to $15 million. Washington's military assistance program will continue to be focused on civic action, but some combat material probably will be included.

Despite government misgivings over possible disruption of the economic development program, national elections in mid-1971 now appear definite, but they are unlikely to result in any significant change in parliament and congress unless the army's plans go drastically awry. The two bodies will not be completely elected; instead, their memberships will be chosen by a variety of methods.

Until last fall, the government appeared to be moving toward a second postponement of elections. It argued that such elections would be costly, that the country needed to concentrate on economic development, that elections could disrupt the economic program, or that they might even promote political instability. During a series of consultations that Suharto held with political party leaders last October, however, only one party—the small Catholic Party—took the hint and agreed that elections should be postponed. The other eight pressed Suharto to hold elections on schedule. Apparently on the strength of these consultations and to the considerable surprise of the parties, Suharto decided to move forward. Presumably he believed that, all things considered, it would be unwise to frustrate the parties further by another postponement.

In November, parliament finally passed the enabling legislation; election funds have now been budgeted, and election committees formed. Some of the parties, particularly the National Party and the Indonesian Moslem Party, are actively recruiting. The army is pushing hard in the provinces with its organization of functional groups (SEKBER GOLKAR), and in April it put pressure on the National Party to elect a chairman who showed promise of being susceptible of army direction.

The election bills provide for a 460-member parliament and a 920-seat congress. The government will appoint from the military and from nonmilitary functional groups 100 members of parliament and one third (307) of the congressional membership. The division between military and nonmilitary in this appointed sector is set at three to one. The remaining 360 seats in parliament will be filled by election, using an elaborate system of apportioning seats that should give Java approximately 183 seats and the other islands 177. Parliament sits as a body in congress, and the remaining congressional seats will be partially elected and partially appointed.

Present indications are that the government hopes to prevent the elections from causing either a major disruption of national unity or a serious diversion from the economic program. Although campaigning, as now scheduled, will be permitted for about ten months, parties have been admonished not to discredit other parties or groups, not to take issue with the five basic principles of the Indonesian state (nationalism, internationalism, democracy, social justice, and belief in God), not to disturb national stability and tranquility, and to stress the government's economic development program. The military will screen all election slates.

President Suharto has suggested that the nine parties and SEKBER GOLKAR organize themselves into three groups—nationalist, religious, and functional—to contest the elections. If he expects thereby to reduce the number of slates from ten to three, he is unlikely to succeed. The parties have "agreed in principle" with Suharto's suggestion but so far have shown no willingness to submerge their respective identities.

The army hopes, through the use of SEKBER GOLKAR and the cultivation of the National Party, to see the election of a substantial number of proadministration candidates. These, with the appointed membership, would give the government a more than adequate majority in both parliament and congress and would ensure Suharto's re-election by the congress in 1973.

FOREIGN POLICY

Although Indonesia officially espouses a policy of nonalignment, foreign relations are in fact oriented toward the non-Communist world. This follows partly from the government's domestic anti-Communist position but chiefly from Indonesia's need for foreign economic assistance available largely from the West and from Japan. Nevertheless, Indonesia maintains correct relations with the Soviet Union and with other European bloc nations and has sought assistance from them as well. Relations with Communist China have been suspended since 1967 and show no sign of early improvement.

Other than negotiating foreign aid, Indonesia's principal international interest is that of developing regional influence in Southeast Asia. With the largest population in the area, Indonesia sees itself as the potential area leader, particularly as Western forces either withdraw or reduce their presence. For the time being, Djakarta views the five-member Association of Southeast Asian Nations (ASEAN), which it established in 1967 with Thailand, the Philippines, Malaysia, and Singapore, as the principal vehicle for promoting its influence. Indonesia has been the most active member in trying to keep the organization alive.

Indonesia is aware that it needs time to deal with its domestic problems and to develop the economic, political, and military base necessary for the ambitious role it envisions. It is concerned that the US may withdraw from Southeast Asia before the area has achieved reasonably enduring stability and security. At the same time, the Nixon Doctrine neatly complements Indonesia's aspirations.

Foreign Minister Malik's recent initiative, which led to the scheduling of the 16-17 May conference on Cambodia, reflects one facet of Indonesia's regional ambitions. Although genuinely concerned over developments in Cambodia, Djakarta also sees them as an opportunity permitting Indonesia to assert itself.

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The Suharto government is gradually becoming more active on the international scene, but diplomacy remains secondary except as it supports domestic needs. The government's major preoccupation continues to be with domestic problems.

THREE YEARS AFTER SUKARNO

Although the Suharto government harbors many weaknesses, its progress to date more than outweighs its defects. The political posturing and economic neglect of the Sukarno era have long since given way to quiet, steady action toward meeting basic economic requirements, to an awareness of the need for a restructuring of the political party system, and to the responsible conduct of foreign affairs.

Least progress has been made in the domestic political sector. Although the government has attempted to move toward modernization, it has been obstructed by the entrenched parties. This mutual distrust between the military and the parties is more than a military-civilian rivalry. It is also fed by long-standing religious-secular differences and ethnically based cleavages within Indonesian society. Ethnic, regional, and religious loyalties, less submerged now than in the days of Sukarno's emotionally based supernationalism, are being more openly expressed under Suharto. At this time, however, they do not affect Indonesia's very real sense of nationhood or threaten any dramatic schisms.

The army sees national elections as tending to encourage, under the present party system, the centrifugal forces of Indonesian political life. Although Suharto has reluctantly decided to proceed with elections in 1971, they will be carefully controlled both to prevent a factionalizing effect on political life and to perpetuate the army's role.

Suharto's outstanding qualities as Indonesian leader [redacted] in 25X6
restructuring Sukarno's Indonesia. Although dynamic and modernist elements, both civilian and military, have fretted and criticized, Suharto has slowed the pace, and has achieved dramatic changes without rending Indonesia's delicately structured society. Responsible civilians, both in the parties and outside them, see no immediate alternative to the army's present role, but hope that within ten years enough progress will have been made to permit a return to a predominantly civilian government based on a more modernized political system.

The Suharto government's over-all accomplishments to date, although commendable, are only initial steps toward the economic, social, and political development required if Indonesia is to fulfill the needs of its people, avoid political instability, and achieve the area leadership role to which it aspires. [redacted]

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